Complementing EU type-approval legislation with regard to the withdrawal of the United Kingdom from the Union

2018/0220(COD) - 04/06/2018 - Legislative proposal

PURPOSE: to complement EU type-approval legislation with regard to the withdrawal of the United Kingdom from the Union.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: on 29 March 2017, the United Kingdom submitted the notification of its intention to withdraw from the Union pursuant to Article 50 of the Treaty on European Union. This means that, unless a ratified withdrawal agreement establishes another date, all Union primary and secondary law will cease to apply to the United Kingdom from 30 March 2019, ('the withdrawal date'). The United Kingdom will then become a third country.

Subject to any transitional arrangement that may be contained in a possible withdrawal agreement, the EU legislative framework governing type approval for a number of products will no longer apply to the United Kingdom.

This also means that the United Kingdom type-approval authority will cease to be an EU type-approval authority. Manufacturers who obtained approvals in the United Kingdom in the past will thus need to obtain new approvals from EU-27 type approval authorities, including for products already in production, in order to ensure continued compliance with EU legislation and retain access to the Union market.

While the legal framework for these products sets procedural requirements harmonising the way in which type-approvals are granted across the EU, some safeguards make it difficult for relevant manufacturers to take the necessary measures to **ensure regulatory compliance and business continuity after the EU acquis ceases to apply to the United Kingdom**. For example:

- the EU type-approval system allows manufacturers to choose freely the type-approval authority to which they submit their type-approval applications. However, it does not allow for the change of the authority once an approval has been granted, and it is **not possible for one authority to amend the approval** issued by another authority;
- the type-approval legislation requires that a type-approval authority may only accept test reports from technical services which the Member State to whom it belongs;
- it is a fundamental principle of the type approval system that a product may only be approved against the requirements applicable to new types (as opposed to new vehicles) at the time when the approval is granted;
- once the United Kingdom type-approval authority has ceased to be an EU type-approval authority, it can no longer ensure the conformity of production and in service conformity of products already in circulation;
- responsible type-approval authority is also needed for the recall of a product that is not in conformity with safety or environmental requirements.

These issues create **significant legal uncertainty for manufacturers with United Kingdom type-approvals**. Manufacturers should be able to continue the production of vehicles, systems, components and separate technical units previously based on approvals granted by the United Kingdom and to continue placing these products on the Union market. It is therefore necessary to allow manufacturers to obtain new approvals issued by the authorities of Member States of the Union other than the United Kingdom.

CONTENT: the proposed Regulation complements <u>Directive 2007/46/EC</u>, <u>Regulation (EU) No 167/2013</u>, <u>Regulation (EU) No 168/2013</u> and <u>Regulation (EU) 2016/1628</u> by establishing special provisions for the EU type-approval and the placing on the market of vehicles, systems, components and separate technical units which have been type-approved by the approval authority of the United Kingdom before the day Union law ceases to apply to and in the United Kingdom.

The present proposal aims to address them by modifying temporarily and in a very targeted manner the existing rules to allow concerned manufacturers to obtain new EU-27 approvals that replace their existing UK type-approved products.

Specifically, the proposal:

- explicitly allows concerned manufacturers to apply to an EU-27 type-approval authority for new approvals for existing types;
- allows that tests underpinning the UK type approvals do not have to be repeated because the technical service was not designated and notified by the EU-27 type approval authority before;
- provides that such approvals may be granted if the requirements for new vehicles, systems, components and separate technical units are met rather than those for new types;
- proposes to help identify new type-approval authorities for those products already on the market prior to the withdrawal, to avoid that no authority would be in charge of carrying out in-service conformity checks or issuing a possible future recall.

The provisions proposed in the proposal will not lower the requirements regarding the safety or environmental performance of the vehicles, systems, components or separate technical units. It will not grant any advantages to manufacturers with UK type-approvals, compared to manufacturers with EU-27 type-approvals.

On the contrary, the initiative will simply **allow manufacturers to continue producing their products** in compliance with applicable legal requirements without interrupting their existing production.